



**COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
ADMINISTRATIVE ACTION NO. 2026-DFI-00019**

KENTUCKY DEPARTMENT OF FINANCIAL INSTITUTIONS	COMPLAINANT
v.	
AMERICAN PACIFIC MORTGAGE CORPORATION	RESPONDENT

AGREED ORDER

PARTIES

1. The Kentucky Department of Financial Institutions is responsible for administering the provisions of KRS Chapter 286, Subtitle 8, of the Kentucky Financial Services Code (“the Code”), as well as any applicable rules, regulations and orders entered pursuant to the Code.
2. American Pacific Mortgage Corporation is licensed as a mortgage loan company in the Commonwealth of Kentucky with a principal office located at 3000 Lava Ridge Court #200, Roseville, CA 95661. Respondent’s Kentucky license number is MC707222.

STATEMENT OF FACTS

3. On April 16, 2025, the Department conducted a routine compliance examination of American Pacific Mortgage Corporation. The following events occurred during that examination.
4. The Department confirmed that American Pacific Mortgage Corporation had nine (9) employees utilizing alternate work locations when performing job duties within the mortgage lending process.
5. The Department reviewed American Pacific Mortgage Corporation’s Remote Work Policy. The Remote Work Policy had no mention of performing any type of annual documented review

of employee's remote work locations and equipment. The Policy was updated during the exam with this requirement.

6. The Department asked American Pacific Mortgage Corporation if it had conducted documented reviews of each remote employee's physical work locations. American Pacific Mortgage Corporation acknowledged to the examiner that, for dates within the exam period, it did not conduct an annual review that included review of the physical work locations of the nine (9) employees in question. During 2025, American Pacific Mortgage Corporation revised its Remote Work Policy to include an annual, virtual review of the remote employee's physical work location and equipment, and to require a management countersignature confirming that the work location satisfies all statutory requirements.

STATUTORY AUTHORITY

7. KRS 286.8-010(2) states that "Alternate work location":
- (a) Means a physical location, other than the principal office or a branch, at which the employees of a licensee are authorized by the licensee to remotely engage in the mortgage lending process; and
 - (b) May include a physical location, other than the principal office or a branch, where an employee:
 - 1. Completes mortgage-related activities if the location is not maintained or utilized for the purpose of conducting in-person mortgage lending business; and
 - 2. Meets in person at the convenience of the borrower on an infrequent or as-needed basis in order to complete the mortgage lending process if the location is not the employee's home.
8. KRS 286.8-036(6) states,
- (6) A licensee may permit employees to engage in the mortgage lending process at an alternate work location if:
 - (a) The licensee has written policies and procedures for supervision of employees working from alternate work locations;

(b) Access to the licensee's computer systems and customer information is in accordance with the licensee's comprehensive written information technology security plan;

(c) Employees are not permitted to conduct in-person customer activities at the alternate work location except as provided in KRS 286.8-010(2)(b)2.;

(d) The licensee ensures that no physical or electronic documents are maintained at the alternate work location; and

(e) No signage or advertising of the licensee or the mortgage loan originator is displayed at any alternate work location.

9. KRS 286.8-295 states,

(1) As used in this section, "employee" shall include a mortgage loan originator engaged as an independent contractor.

(2) (a) Every mortgage loan company and mortgage loan broker shall exercise proper supervision and control over the operations, employees, and affairs of its company.

(b) A mortgage loan company or mortgage loan broker shall supervise and control all employees acting as a mortgage loan originator on behalf of the mortgage loan company or mortgage loan broker.

(3) A licensee that allows employees to engage in the mortgage lending process from an alternate work location shall:

(a) Exercise proper supervision and control over the employees;

(b) Have written policies and procedures in place that ensure a safe, secure system for the mortgage lending process;

(c) Oversee compliance, and require all employees to comply, with the policies and procedures referenced in paragraph (b) of this subsection;

(d) Employ appropriate risk-based monitoring and oversight processes;

(e) Ensure that:

1. Customer interactions and communications about consumer accounts are in compliance with federal and state information security requirements, including applicable provisions of:

a. The Gramm-Leach-Bliley Act of 1999, Pub. L. No. 106-102, as amended;
and

b. The Federal Trade Commission's Safeguards Rule, set forth in 16 C.F.R.
Part 314;

2. Any employee that engages in the mortgage lending process at an alternate work location accesses the company's secure systems, including a cloud-based system, directly from any out-of-office device via a virtual private network (VPN) or a comparable system that ensures secure connectivity and requires passwords or other forms of authentication to access;

3. Appropriate security updates, patches, or other alterations to the security of all devices used at an alternate work location are installed and maintained;

4. Any employee that engages in the mortgage lending process at an alternate work location agrees to comply with the licensee's processes established under paragraph (d) of this subsection; and

5. The Nationwide Multistate Licensing System and Registry record of a mortgage loan originator that works from an alternate work location designates a properly licensed location as the mortgage loan originator's official work station;

(f) Have the ability to:

1. Remotely lock or erase company-related contents of any device; or

2. Otherwise remotely limit all access to the company's secure systems; and

(g) At least annually:

1. Certify that all employees engaged in the mortgage lending process at alternate work locations meet the appropriate standards and safeguards to continue engaging in the mortgage lending process from the alternate work locations; and

2. Review each alternate work location and provide proof of the documented review to the department upon request.

10. KRS 286.8-046 states,

(1) The commissioner may levy a civil penalty against any person who violates any provision of or any administrative regulation promulgated under this subtitle or order issued by the commissioner under this subtitle. The civil penalty shall be not less than one

thousand dollars (\$1,000) nor more than twenty-five thousand dollars (\$25,000) per violation, plus the state's costs and expenses for the examination, investigation, and prosecution of the matter, including reasonable attorney's fees and court costs.

(2) The commissioner may order restitution, refund, recovery of expenses, or direct such other affirmative action as the commissioner deems necessary against any person who violates any order issued by the commissioner or any provision of, or administrative regulation promulgated under, this subtitle.

VIOLATIONS

11. In contravention of KRS 286.8-295(3)(g)(1), American Pacific Mortgage Corporation did not annually certify that all employees engaged in the mortgage lending process at alternative work locations met the appropriate standards and safeguards to continue engagement in that process from those locations.

12. In contravention of KRS 286.8-295(3)(g)(2), American Pacific Mortgage Corporation did not provide the Department proof responsive to the Department's request that a documented review had occurred regarding alternate work location compliance.

AGREEMENT AND ORDER

13. To resolve this matter without litigation or other adversarial proceedings, the Department and American Pacific Mortgage Corporation agree to compromise and settle all claims arising from the above-referenced factual background in accordance with the terms set forth herein.

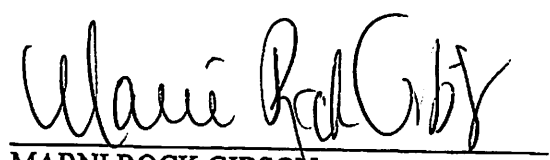
14. In the interest of economically and efficiently resolving the violations described herein, it is hereby **AGREED** and **ORDERED**:

i. American Pacific Mortgage Corporation agrees to pay a civil fine in the amount of one thousand dollars (\$1,000.00) for the violations described herein, which shall be due and payable within thirty (30) days of the entry of this Order;

ii. All payments under this Order shall be made through the NMLS system by invoice created by DFI;

- iii. American Pacific Mortgage Corporation waives the right to demand a hearing at which it would be entitled to legal representation, to confront and cross-examine witnesses, and to present evidence on its behalf, or to otherwise appeal or set aside this Agreed Order;
- iv. American Pacific Mortgage Corporation consents to and acknowledges the jurisdiction of the Department over this matter and that this Agreed Order is a matter of public record and may be disseminated as such;
- v. In consideration of execution of this Agreed Order, American Pacific Mortgage Corporation for itself, and for its successors and assigns, hereby releases and forever discharges the Commonwealth of Kentucky, the Department, Office of Legal Services, and each of their members, agents, and employees in their individual capacities, from any and all manner of actions, causes of action, suits, debts, judgments, executions, claims and demands whatsoever, known and unknown, in law or equity, that American Pacific Mortgage Corporation ever had, now has, may have or claim to have against any or all of the persons or entities named in this paragraph arising out of or by reason of this investigation, this disciplinary action, this settlement or its administration;
- vi. By signing below, the parties acknowledge they have read the foregoing Agreed Order, fully understand its contents, and that they are authorized to enter into and execute this Agreed Order and legally bind their respective parties; and
- vii. This Agreed Order shall constitute the Final Order in this matter.

SO ORDERED on this the 6th day of April, 2026.


MARNI ROCK GIBSON
COMMISSIONER

CERTIFICATE OF SERVICE

I certify that a true and correct copy of the foregoing Agreed Order was sent on this the 6 day of April, 2026, by the method indicated below to the following:

Via certified mail, return receipt requested:

Ned Payant, Chairman
American Pacific Mortgage Corporation
3000 Lava Ridge Court #200
Roseville, CA 95661
Respondent

Via electronic delivery:

Gary Stephens, Staff Attorney Manager
DEPARTMENT OF FINANCIAL INSTITUTIONS
500 Mero Street
Frankfort, KY 40601
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Counsel for Department of Financial Institutions

Kentucky Department of Financial Institutions

Name: Allison Reed by Victoria Ward-Bishop

Title: Executive Staff Advisor